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**Triveni 9M FY2007 Total Income up by 5% at Rs 9.0 billion
EBITDA of 17% at Rs 1.56 billion
PAT at Rs. 850 million**

Noida, January 15, 2007: Triveni Engineering & Industries Ltd. ('Triveni'), one of India's leading companies engaged in the manufacture of sugar and engineered-to-order mechanical equipment, such as steam turbines, high speed gears and water and wastewater treatment equipment, today announced its performance for the quarter and nine months ended 31st December 2006.

PERFORMANCE OVERVIEW: 9M FY2007 V/S 9M FY2006

Net Sales were higher by 5% at Rs. 8.95 billion. Sugar dispatches were 22.6% lower than the corresponding period last year in view of lower opening stock. Contribution per bag was also lower due to increased cost of production. Lower contribution from sugar operations was largely compensated by enormous growth in the engineering business. Overall, EBITDA remained flat at Rs. 1.56 billion, and PAT reduced to Rs. 850 million.

Although sugar business sales decreased by 14%, Net Sales increased on the back of 77% growth in the engineering business and 65% growth in co-generation business. Similarly, at EBITDA levels, while the sugar business declined by 49% primarily on account of lower volume of dispatches and higher cost of production, co-generation and engineering businesses grew 112% and 148% respectively.

During the period under review, finance costs were lower by 12%. Lower inventories led to lower utilization of working capital in the first nine months resulting in lower interest on working capital. Depreciation & amortization costs rose significantly by 58% on account of capitalization of the Sabitgarh sugar unit in Q4FY06, the Ramkola capacity expansion in the current quarter and the expansion of the co-generation plant at Khatauli. The combined effect of finance and depreciation costs resulted in lower PBT by about 7%.

PERFORMANCE OVERVIEW: Q3 FY2007 V/S Q3 FY2006

In Q3 FY07 Net Sales increased by 5% to Rs. 3.1 billion on account of higher sales in engineering and co-generation by 86% and 30% respectively. Sugar sales declined by 12% on account of lower sales volumes and lower realizations. EBITDA margin remained constant at 14% with EBITDA at Rs. 436 million. PBT for the quarter increased by 2% to Rs. 284 million.

Commenting on the Company's financial performance, Mr Dhruv M. Sawhney, Chairman and Managing Director, Triveni Engineering & Industries Ltd, said:

"The growth path we embarked upon in our engineering business is continuing unabated, which enabled the company to register a robust top-line and protect the overall margins in our business. The sugar business recorded lower sales and profits on account of lower inventory and reduced margins, which were further accentuated due to various macro economic reasons. However, in the medium term, we expect our engineering businesses to continue recording strong growth and our integration of sugar operations with co-generation of power & distillation of alcohol together with the UP Government incentive should enable us to support the overall declining sugar business margins and deliver a good performance. The results represent the advantage of diversified business profile of the company".

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Attached: Details to the Announcement and Results Table

About Triveni Engineering & Industries Limited

Triveni Engineering & Industries Limited is a focused, growing corporation having core competencies in the areas of sugar and engineering. The Company is among the three largest sugar manufacturers in India, and is also the market leader in its engineering businesses comprising steam turbines, high speed gears, gearboxes, and water treatment solutions. Triveni has currently five sugar mills in operation at Khatauli, Deoband, Sabitgarh, (all in western Uttar Pradesh), Chandanpur (Central Uttar Pradesh) and Ramkola (eastern Uttar Pradesh), and is in the process of commissioning the other two new mills which are under advanced stages of completion. The Company's turbine manufacturing and gear manufacturing facilities are located at Bangalore and Mysore respectively while the Water & Waste water treatment business is located at Noida. Triveni's sugar crushing capacity as at March 06 was 40,500 TCD, which would be expanded to 61,000 TCD by March 07. The Company also has a co generation capacity of 68 MW. The company's 160000 litre per day capacity distillery is under implementation. The Company's turbine business is also expanding its capacity to meet the increasing demand. Triveni Khushali Bazaar made a foray into rural and semi-urban retail through its wholly owned subsidiary, with 33 stores currently operational and expected to have over 50 stores by the end of the financial year.

For further information on the Company, its products and services please visit www.trivenigroup.com or contact:

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DETAILS TO THE ANNOUNCEMENT

- Financial results review
- Business-wise performance review and Outlook

9M & Q3 FY2007: FINANCIAL RESULTS REVIEW

(all figures in Rs. million, unless otherwise mentioned)

Net Sales

	Q3 FY 07	Q3 FY 06	9M FY07	9M FY 06
Net Sales	3070.1	2930.6	8953.0	8501.2
% change	4.8%		5.3%	

Net sales in 9M FY07 and Q3 FY07 registered a growth of 5.3% & 4.8% respectively. The company's engineering business continues to register excellent growth, whereas sugar sales declined primarily on account of lower quantity of sugar dispatches. During the nine month under review, the company increased sales on the back of 77% growth in the engineering business and 65% growth in co-generation business, while the sugar sales decreased by 14%. During the quarter, increase in net sales was on account of higher sales of Engineering and Co-generation by 86% and 30% respectively while sugar sales declined by 12% on account of lower volumes of sales.

The revenue mix between sugar division (including co-generation) and engineering division has undergone a shift from 74:26 in 9M FY06 to 59:41 in 9M FY07.

Earnings Before Interest, Depreciation, Amortisation & Tax (EBITDA)

	Q3 FY 07	Q3 FY 06	9M FY07	9M FY 06
EBITDA	436.0	418.5	1559.9	1556.2
% change	4.2%		0	
EBITDA Margin	14.2%	14.3%	17.4%	18.3%

The Company's 9MFY07 EBITDA was marginally higher when compared to the corresponding period last year while EBITDA for the quarter improved by 4.2%. The margins for 9M declined slightly to 17.4% while margins for the quarter remained flat at 14.2%. For the 9M EBITDA of co-generation and engineering businesses grew by 112% & 148% respectively, while that of sugar decreased by 49%. For the quarter, EBITDA of co-gen and engineering grew 81% & 122% respectively while sugar fell 55%.

Finance Cost and Depreciation

For 9MFY07, interests costs were Rs. 176 million, down 12% y-o-y. Reduction in finance costs is on account of lower inventory which led to lower utilization of working capital. Depreciation & amortization costs increased by 58% y-o-y to Rs.305 million primarily due to capitalisation of additional sugar capacities and co-generation facility.

Net Profit

	Q3 FY 07	Q3 FY 06	9M FY07	9M FY 06
Profit before Tax (PBT)	284.4	278.3	1078.8	1163.7
% change	2%		(-) 7%	
PBT Margin	9%	9%	12%	14%
Profit after Tax (PAT)	218.9	231.3	850.0	932.1
% change	(-) 5%		(-) 9%	
PAT Margin	7.1%	7.9%	9.5%	11%

PBT for the quarter increased 2% with margins remaining flat at 9%. For 9M, PBT declined 7% with margins falling 200 bps.

For Q3 and 9M PAT declined by 5% and 9% respectively. The higher incidence of tax was on account of provision of Rs. 68.3 million in respect to earlier years.

EPS for the nine months ending December 2006 stood at Rs. 3.30.

Capital expenditure and Project Implementation

The company has incurred capital expenditure of Rs. 5.75 billion as on December 31, 2006 on all the projects which are under implementation. The company met the funding of capital expenditure through internal accruals and market borrowings.

The brownfield expansion at Ramkola sugar unit, one new sugar unit at Chandanpur and 23 MW co-generation unit at Khatauli have been commissioned during the quarter and have been working satisfactorily. The two new sugar units and the distillery would be commissioned during the fourth quarter of FY07. The expansion of the turbine unit and water & waste water Business Units are also proceeding satisfactorily and are expected to be commissioned as per schedule.

9M / Q3 FY2007: BUSINESS-WISE PERFORMANCE REVIEW

(all figures in Rs. million, unless otherwise mentioned)

Sugar business

Triveni is among the three largest players in the Indian sugar sector, with a current crushing capacity of 49,500 TCD under operations and will be attaining 61,000 TCD during the current quarter with the commissioning of two green field sugar units.

Performance

	Q3 FY 07	Q3 FY 06	9M FY07	9M FY 06
Cane Crush (Million Tonnes)	1.83	1.62	2.13	1.86
% change	13%		14.5%	
Sugar Production (000 Tonnes)	172.4	146.2	202.2	173.0
% change	18%		17%	
Recovery (%)	9.42%	9.03%	9.49%	9.30%
Sugar dispatches (000 MT)	94.7	117.9	268.2	346.4
% change	(-) 20%		(-)23%	
Realisation price (Rs /MT)				
Levy	12860	12830	12970	12870
Free	17210	17450	18100	17050
Average	16980	17190	17710	16790
Net sales	1980.6	2251.6	5356.8	6249.9
% change	(-) 12%		(-) 14%	
PBIT	59.3	230.9	438.7	1115.4
% change	(-)74%		(-)61%	
PBIT Margins	3.0%	10.3%	8.2%	17.8%

The company started cane crushing at its existing facilities from the beginning of the season. Crushing started at Deoband in the last week of October 2006 while in Khatauli, crushing started during the first week of November 2006. Sabitgarh, the new unit set up in the last crushing season commenced crushing from second week of November 2006. Ramkola started crushing with the enhanced capacity with effect from the last week of November 2006 while Chandanpur, one of the three new sugar units which were to be set up during the current

financial year, commenced its production during the fourth week of December 2006. The two new units at Raninagal and Milak Narainpur will be commissioned towards the end of January 2007/ beginning of February 2007.

During the quarter ending December 2006, the company crushed 13% more when compared to corresponding period of last year, even though the crushing started late in our existing mills. The increase in crushing was on account of crushing at Sabitgarh during the current season apart from enhanced crushing in other units. It may be noted that the recovery of sugar from cane has also been higher when compared with previous year. This will enable company to get more sugar from same quantity of sugar cane which would lead to lower cost of cane per tonne of sugar produced.

This business reported net sales of Rs 1.99 billion and Rs. 5.36 billion respectively during Q3 FY 07 and 9M FY 07 respectively which was lower by about 12% and 14% when compared to corresponding period last year. The decline in sales was primarily on account of lower volumes. The company sold less quantity of sugar (94700 tonnes) during the current quarter which is lower by 20% when compared with Q3 FY06 and the average realization was lower by 1%. Cumulatively, during the nine months under review, the sugar dispatches were also lower by 23% while the average realization during the same period was higher by 5.5%.

Lower dispatches were attributed to lower inventory available at the beginning of the financial year and dispatches have also been made from the current year's production. In view of expected higher production during the ongoing season, the company is expected to have higher availability of sugar for dispatches in the subsequent periods.

The decline in PBIT margins during the current quarter and the nine months when compared with the corresponding period last year were primarily on account of lower quantity of sugar sold and lower contribution per ton of sugar sold. The cost of production of sugar in the initial period of season is generally lower in view of lower initial recovery but higher recovery is achieved in the later part of the season which lowers the cost of production.

The company would have incurred total amount of around Rs. 10 billion under UP sugar Promotion Policy 2004 and the company would also be eligible for prescribed incentives including capital subsidy. The incentives will be applicable to the production of the new sugar units and on the incremental production where brown field expansion has taken place. The company expects to be held eligible shortly under the UP Sugar Promotion Policy, 2004 and thereafter, it be eligible for the various incentives under the Policy.

Outlook

Global Scenario

The world sugar production for sugar year 2006-07 is estimated at 160 million tonnes which will be 9 million more than the 2005-06 production. This increase in production is after taking into consideration a reduction in production in European Union on account of WTO compliance. This sharp increase in the global production is the result of an expanded cane area, additional processing capacities and better weather conditions. South America and Asia are expected to be two main growth areas. In South America, the final estimates will be based on the Brazil's 2007/08 crop. With consumption expected to go up by 2%, the overall stock position globally as at 30th September 2007 would be about 72.6 million tonne which is approx. 49% stock to consumption.

Under the given circumstances, the global sugar prices are expected to remain weak in 2006-07. The crude oil prices have also somewhat softened but due to its linkages with the ethanol prices, it will continue to provide resistance to the decline in sugar prices. Sugar cane being a weather dependent crop, there is always a possibility of weather induced supply shocks. Similarly, movement of crude price will also be another key determinant of the sugar prices as Brazil will have a significant swing factor in terms of sugar production in the event of any upward movement of crude prices.

Domestic Scenario

India, after recording a lower production of 12.7 million tonne in SY 05, has produced 19.2 million tonne in SY 06 which is expected to increase to about 23 million tonne during SY 07. The reasons for this steep increase in production are due to enhanced area under cane cultivation coupled with improved yields due to good rains and favorable weather, particularly in central and southern India. Cane availability to sugar mills is expected to be relatively high as strong sugar prices during 2005/06 enabled mills make higher and timely payments during 05-06 season and which in turn led to farmers growing sugar cane in larger area. Another reason for increased availability of cane to sugar factories would be on account of lesser diversion of cane to alternate sweetener manufacturers. Given the output prices of sugar which in turn has a direct relation with alternate sweetener prices, the economics of Gur and khandsari manufacturers may not be viable at the current price of the cane.

Sugar prices, after ruling high in the first quarter of the current financial year, started declining on the back of Governmental intervention. Government, in July, 2006, had banned complete exports of sugar which led to the uncertainty and the market sentiment turned bearish. Since then, in line with the international prices, the prices of sugar started declining and with the starting of crushing season, on account of fresh production, the decline in prices become even steeper. The Government has recently lifted ban on export of sugar and with the current differential between the international and domestic prices together with savings in inventory carrying costs, the exports are still viable for the sugar mills in the coastal states. It is expected that exports of around 2 million tons (including exports under ALS) may take place in this sugar year. This would increase the sugar inventories to about 6 million tonne as on September 30, 2007, which translates into a stock to consumption of 30%. This is not alarming considering historical correlation of stock to consumption ratio and sugar prices.

It is estimated that the company would be crushing approx. 6 million tonne during the current financial year. However, the crushing capacities of the new units would only be exploited fully in the coming season, during which the company expected to crush 8.25 million tonnes of sugar cane.

Triveni is also synchronizing its sugar capacity expansion program with focused cane procurement initiatives. The Company has been making investment towards cane development in the command areas of its green field units, where there is limited or low competition to ensure increased supply of high recovery yielding cane in the subsequent years.

We believe that the sugar production is expected to rise by over 50% in sugar season 2006-07, which will further scale up in subsequent years without incurring any further significant capital expenditure. Based on the global and domestic scenarios explained above, we believe the sugar prices to remain soft in the coming quarters and hence we expect the margins from the sugar business would be under pressure. However, with the steady margins from the expanded co-generation capacities as well as the upcoming distillery, we believe that overall margins of Triveni's sugar division would be protected to great extent when compared with any pure sugar manufacturing company. This would be further strengthened on account of the incentives which the company would be eligible on the enhanced sugar capacities going forward.

Co-generation business

Triveni's co-generation operation at Khatauli and Deoband exports surplus power to the state grid after meeting the requirements of sugar factories and its own auxiliary consumption. Additional capacity of 23 MW at Khatauli has been commissioned and is supplying both steam and power to sugar unit as well exporting power to the grid. The new capacity will generate and export power only during the sugar crushing season. Due to higher crush and usage of higher efficiency boilers, more bagasse would be available for running the co-generation units for a longer duration during the off-season. Hence, we expect the off-season for the next year would be for a longer duration.

Performance

	Q3 FY 07	Q3 FY 06	9M FY07	9M FY 06
Operational Details				
Power Generated (000 Kwh)	63544	53802	126877	73215
Power Exported (000 Kwh)	31818	33922	79785	52026
Sales	292.3	224.8	480.4	291.7
% change	30%		65%	
PBIT	83.5	39.2	131.4	53.8
% change	113%		144%	
PBIT Margins	28.6%	17.4%	27.4%	18.4%

During the current quarter ending December 2006, 23 MW additional power generating capacity was added in Khatauli which led to a total co-generating power capacity of 68 MW. The sales include sale of power & steam to sugar unit as well as exports.

Outlook

The company, with the higher crush rate, lower steam consumption and running of efficient boilers, should consume less bagasse. The bagasse savings would be used for running the power plants during the off-season for a longer duration resulting in higher revenues and profits from the co-generation operations going forward.

The co-generation business provides a long term and sustainable source of incremental revenues while diversifying and de-risking the sugar and the company's operating profile. In addition, the Company will also derive financial benefits following the completion of this project due to a tax holiday for a period of 10 years and reduction of deferred tax charges.

Triveni's co-generation facilities are also eligible for carbon credits under the Kyoto Protocol's Clean Development Mechanism (CDM) and are expected to generate approx. 200,000 carbon credits annually from all the three units put together. The company received registration from the UNFCCC for the first unit at Deoband and is in the process of getting the ERs verified. Once the project is registered, one can sell the accrued CERs at a higher realization. However, once the ERs are verified, realization for the same would be better as the risks are mitigated to

the maximum extent possible from the customer's point of view. It is expected that approximately 150,000 CERs would be available for sale during the Q4 FY07. As regards the first unit at Khatauli, it is under registration stage which is expected to be completed during the Q4 FY 07. The second co-generation unit which was commissioned during the third quarter of this financial year would soon be undergoing the validation process. Once all the units are registered and verified, the sale of CERs at the highest realization would be an additional source of revenue which will be forming part of the co-generation revenues.

Steam turbines business

Triveni is the domestic market leader, with 68% market share in FY 06, and one of the largest manufacturers worldwide in high and low pressure turbines upto 18MW. During the current year, the market share for Triveni has improved to 78%.The Company's ability to provide high-tech precision engineered-to-order solutions has made it one of the most trusted names within the sector.

Performance

	Q3 FY 07	Q3 FY 06	9M FY07	9M FY 06
Net sales	1140.0	570.6	3435.6	1901.6
% change	100%		81%	
PBIT	245.5	89.3	714.7	250.8
% change	175%		185%	
PBIT Margins	21.5%	15.7%	20.8%	13.2%

This business continued its unabated growth and has recorded an increase of 100% and 81% in net sales during the quarter and nine month ending December 2006 compared with the corresponding periods of last year. In line with the growth in turnover, the PBIT also grew by 175% and 185% respectively during the quarter and nine month period compared with corresponding periods of last year. PBIT margins also recorded a high of 21.5% during this quarter and PBIT margins for 9 months were also high at 20.8% which is significantly higher when compared with corresponding period of last year.

The business continued its foray into higher MW turbines by booking more orders in the above 18 MW capacities and is internally developing requisite technological capabilities for delivery of such orders which will be in the Q1/Q2 of FY 08.

During the current quarter, the unit's efforts to extend its capabilities into sectors like cement for supplying higher MW turbines resulted in bagging some good orders from this segment. The unit's renewed thrust to exports is also gaining momentum with orders coming in from various European countries, Philippines, Malaysia for supplying turbines to be used in bio mass, bio-ethanol projects etc.

Capex plans update

The Company views this business as a key growth driver and is accordingly dedicating resources to enable rapid enhancement of its technological capabilities and manufacturing capacities. In view of continued strong demand from customers, the Company's capacity enhancement programme, which is currently underway, would be completed during the fourth quarter of this financial year. In terms of setting up High speed balancing tunnel, the same would also be ready towards the end of this financial year. New additional equipments such as WFL Mill turn Centre, CNC VTL etc. are also under implementation and would be ready by second quarter of the next financial year. These state of the art equipments would enable Triveni to further improve the quality and delivery schedules. This capacity expansion is planned keeping in view of the company's long term plan to get into higher MW turbine manufacturing and also to meet the increasing demand/order book in the coming years.

As mentioned in our earlier communications, in order to realize better prices and margins, the Company's endeavor to enter the higher-value segment of turbines rated above 18MW is progressing as per schedule. Triveni's R&D team in collaboration with consulting professors from IIT, Chennai, IISc, Bangalore together with an international design house has been successful in developing technologies for meeting the requirements of the market. The team

has developed 18 to 27 MW turbines using twisted tapered blades which enabled the company to move into higher ranges.

The Company is also in dialogue with some potential strategic partners in order to upgrade its capabilities for manufacturing turbines upto 45 - 50 MW.

Outlook

The outlook for this business is very strong, as reflected by a rapidly growing order book, which in turn is driven by two factors: (i) growing economic activity and a buoyant capital goods sector, and (ii) Triveni's ability to deliver world-class products at competitive cost.

Demand for the Company's turbines comes from a variety of sectors such as Sugar, Sponge Iron, Textiles, paper, Independent Power Producers, and Sugar Cogeneration plants etc. This business is therefore widely spread over several sectors and is not dependant on a few sectors for its revenues. The Company is also increasing its presence in the international markets and expects exports to contribute over 20% of order book from this business by 2008-09.

The order book in this business, which was about Rs 4 billion at the beginning of the current year, has now increased to about Rs. 4.7 billion as on 31st December 2006 with a shorter delivery schedule. Further, with the increased number of installations, the revenue from high margin services and spares would also significantly increase in the coming years apart from refurbishing and retro-fittings.

High speed gears and gearboxes business

This business manufactures high-speed gears and gearboxes upto 70MW capacity and speeds of 50,000 rpm. Triveni is the country's largest one-stop solutions provider in this sector and currently enjoys over 60% overall market share with about 85% market share in sub 7.5 MW segment.

Performance

The results of gear operations are included in the business segment "Others".

	Q3 FY 07	Q3 FY 06	9M FY07	9M FY 06
Net sales	143.8	130.8	480.3	337.3
% change	10%		42%	
PBIT	30.0	21.1	117.1	56.1
% change	42.2%		108.7%	
PBIT Margins	20.9%	16.1%	24.4%	16.6%

Net sales from the Gears division have risen by 42% & 10% during 9M FY07 and Q3 FY07 respectively, when compared with corresponding period last year. PBIT has also shown even significant growth rates at 109% and 42% respectively during 9M FY 07 and Q3 FY 07 when compared with corresponding period last year. PBIT margins at 24% and 21% for 9M FY 07 and Q3 FY 07 respectively are also significantly higher when compared with corresponding period of previous year. Like the other engineering operations of Triveni, the performance of this business too echoes the overall economic and industrial growth in the country. The order book position of this business remains highly encouraging at Rs. 410 million as on 31st December 2006.

The Company is implementing multiple initiatives to continue its leadership status in this business and also enhancing the share of retrofitting service in the overall sales. Further, the Company has enough capacity to meet anticipated demand and no major capital expenditure is planned at this time.

During the quarter under review, 600 kw Test Rig was re-oriented /commissioned and 54 MW Gas Turbine Gear Box was tested successfully in tandem. The unit also got orders for certain prestigious projects. Diversifying into Hydel segment gear boxes with in house technology is also underway.

Outlook

This business has an optimistic outlook, as the economy remains robust and industrial activity remains healthy. In addition to fresh sales, this business also derives a large portion of its revenues from replacement requirements and refurbishment services, which is a stable revenue stream. An increase in demand from turbine OEMs, including Triveni's own turbines business too, is seen to be driving growth in this business. This business has an order book of Rs. 410 million comprising wide range of end-user industries and multiple customer profile.

Water business

This business is focused on providing world-class solutions in water and waste-water treatment to customers in industry as well as the municipal segment. Relative to the Company's overall revenues, this business is small but is gaining recognition in a high potential market as a supplier of superior quality products and services at competitive costs.

Performance

The performance of this business is reflected in the "Others" segment of the Company's segment reporting.

	Q3 FY 07	Q3 FY 06	9M FY07	9M FY 06
Net sales	97.1	40.5	208.9	91.3
% change	140%		129%	
PBIT	8.0	9.0	19.9	13.9
% change	(-)11%		43%	
PBIT Margins	8.2%	22.2%	9.5%	15.2%

This business also showed robust growth in its sales in line with other Engineering businesses. Net sales recorded a Y-o-Y growth of 140% and 129% respectively. During the fourth quarter, this business could bag a couple of significant orders for large power projects. Upon

execution of these major orders, the unit is expected to bag similar orders on the back of successful completion of some of these major projects.

Capex plans update implementation

The Company fabricates and assembles equipment based on proprietary or licensed designs. As planned, the company is in the process of setting up office cum workshop facilities in NOIDA which should be completed by 2nd Quarter of FY 08. This will enable the company to have more value addition and control over the manufacturing process which in turn will have cost efficiency, margin expansion, timely deliveries and better quality adherence.

Outlook

Treated water is increasingly becoming a critical resource in large-sized industries and stringent environmental regulations are also mandating industries to treat waste water. At the same time, rising health consciousness is creating a demand for water treatment equipment in housing complexes and municipalities. These developments offer an attractive opportunity for the Company's water business which already has the necessary technological capability and know-how. The Company has been working in association with US Filter Wastewater Group Inc., part of Siemens AG. It recently enhanced its access to sophisticated technologies by entering into a license agreement with Memcor for high technology micro-filtration solutions and equipment for drinking water, process water and reuse applications. The unit is also actively pursuing tie-ups for new technology areas such as High Strength Wastewater Treatment, Condensate Polishing unit for Power sector etc. As on 31st December 2006, this business had an outstanding order book of about Rs 305 million.

OVERALL BUSINESS OUTLOOK

FY2008

The outlook for FY2008 is expected to be better in terms of higher crush and higher production of sugar as the entire capacity addition undertook in FY 07 will be up and running. It is expected that approx. 8.25 million tonne of cane would be crushed in FY 08. On the other two businesses in sugar viz., co-generation of power and distillery, the outlook is buoyant. The distillery, which is coming up on stream in the fourth quarter of FY 07, will be fully operational during the next financial year and also the 68 MW co-generation units will allow export of more power both in season and for a longer off-season period. Further, the incentives to be received on the enhanced sugar sales under the UP Incentive Policy and sale of carbon credits would be an add-on. On the engineering businesses, the growth is expected to be at an average rate of 30% year on year. The entry into higher MW turbines coupled with a large turbine base for servicing and spare sales would enable the turbine business to achieve growth while growth in gear business should also move in tandem with the turbine business. Growth in Water & waste water business should be even steadier and the demand for water treatment from industrial and municipal sectors are bound to grow in the future.

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UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2006

Particulars	Rs. in lacs				
	Quarter Ended		Nine Months Ended		Year Ended
	31.12.06	31.12.05	31.12.06	31.12.05	31.03.06
					Audited
Net Sales	30701	29306	89530	85012	119204
Other Income	1	40	346	390	637
	30702	29346	89876	85402	119841
Total Expenditure					
a) (Increase)/Decrease in stock in trade	(13694)	(6984)	9263	18968	4233
b) Consumption of raw materials	34110	25945	55871	41665	76978
c) Staff cost	2203	1927	5983	5084	6854
d) Other expenditure	4238	3019	10610	7158	11407
e) Interest (Net)	440	626	1759	1997	2300
f) Amortisations	74	130	239	405	519
g) Depreciation	1002	646	2813	1523	2364
h) Off-Season expenses (Net) & Amount Capitalised on Captive Supplies	(515)	1254	(7450)	(3035)	(932)
	27858	26563	79088	73765	103723
Profit before Taxation	2844	2783	10788	11637	16118
Provision for Income Tax					
Normal Tax	8	(49)	360	1301	1528
Net Deferred Tax Charge	507	486	1751	921	1315
Fringe Benefits Tax	140	33	177	94	125
Net Profit after Taxation	2189	2313	8500	9321	13150
Paid up Equity Share Capital (face value Rs.1/-)	2579	2579	2579	2579	2579
Reserves excluding revaluation reserves					48636
Earning per share-Basic/Diluted (not annualised) - Rs. (Note 5)	0.85	1.04	3.30	4.39	5.88
SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED					
1. Segment Revenue					
[Net Sale/Income from each segment]					
(a) Sugar	19806	22516	53568	62499	86633
(b) Steam Turbines	11400	5706	34356	19016	27799
(c) Co - Generation	2923	2248	4804	2917	6055
(d) Others	2420	1773	6925	5764	7462
Total	36549	32243	99653	90196	127949
Less : Inter segment revenue	5848	2937	10123	5184	8745
Net Sales	30701	29306	89530	85012	119204
2. Segment Results					
[Profit (+) / Loss (-) before tax and interest]					
(a) Sugar	593	2309	4387	11154	13506
(b) Steam Turbines	2455	893	7147	2508	4184
(c) Co - Generation	835	392	1314	538	1648
(d) Others	345	296	1345	700	974
Total	4228	3890	14193	14900	20312
Less : i) Unrealised Inter Segment Profit	550	149	479	149	569
: ii) Interest (Net)	440	626	1759	1997	2300
: iii) Other un-allocable expenditure	394	332	1167	1117	1325
[Net off un-allocable income]					
Total Profit Before Tax	2844	2783	10788	11637	16118
3. Capital Employed					
[Segment Assets - Segment Liabilities]					
(a) Sugar	51819	35841	51819	35841	65948
(b) Steam Turbines	433	(118)	433	(118)	921
(c) Co - Generation	23852	17037	23852	17037	18703
(d) Others	5221	4552	5221	4552	5338
Capital Employed in Segments	81325	57312	81325	57312	90910
Add : Unallocable Assets less Liabilities [including investments]	(21009)	(7097)	(21009)	(7097)	(37983)
Total	60316	50215	60316	50215	52927

Notes :

1. The sugar, one of the major businesses of the company, is a seasonal industry. Therefore, the performance results of the quarters may vary.
2. Projects relating to setting up of a new sugar unit at Chandanpur, expansion of capacity of Ramkola unit and expansion of cogeneration capacity at Khatauli have been commissioned. The Implementation of other capital projects is proceeding satisfactorily and new sugar units at Raninagal and Milak Narainpur and a distillery are expected to be commissioned in the last quarter of the current financial year.
3. Pursuant to the revised Accounting Standard (AS-15) on 'Employee Benefits' issued by the Institute of Chartered Accountants of India, which became effective from 1st April 2006, appropriate provisions have been made for the quarter and nine months ended 31st December 2006 on an estimated basis. The effect of the transitional provisions relating to the previous years will be adjusted against the revenue reserves at the year end.
4. Segments have been identified in accordance with the Accounting Standard on Segment Reporting (AS-17). The business segment 'Others' includes the operations of the High Speed Gears and Water/Waste Water Treatment in the current periods whereas in the previous periods, it additionally includes the operations of Agri Business, which, from October 25, 2005, are being carried out by a wholly owned subsidiary.
5. The Earning Per Share (EPS) has been computed in accordance with the Accounting Standard (AS-20). The EPS for the quarter and nine months ended December 31, 2005 has been computed with reference to weighted average number of equity shares outstanding during each period.
6. In respect of the current periods, the production related expenses of cogeneration plants during off-season period have been deferred and will be charged off over the balance operational period in the current year. Figures of the previous quarter and nine months have also been revised on the same basis and consequently, the profit after tax for the previous quarter and nine months ended 31st December 2005 are lower by Rs.79 lacs and higher by Rs.151 lacs respectively.
7. The provision for tax for the nine months period ended December 31, 2006 has been considered on a pro-rata basis of the estimated annual tax liability and includes provision of Rs 6.83 crores in respect of earlier years.
8. The company raised an amount of Rs.240 crores by way of public issue of equity shares during the year 2005-2006 and utilised Rs.232.10 crores towards the objects for which the money was raised. The balance amount of Rs.7.90 crores as on 31st December 2006 is invested for reducing the Working Capital over-draft.
9. Previous period figures under different heads have been regrouped to the extent necessary.

10. The above results were reviewed and recommended for adoption by the Audit Committee and approved by the Board of Directors of the company at their meetings held on January 13, 2007 and January 15, 2007 respectively.

11. The statutory auditors have carried out a "Limited Review" of the above financial results.

12. Investors complaints received and disposed off during the quarter ended 31.12.2006 are as follows :

Nos

Pending at the beginning of the quarter	Nil
Received during the quarter	66
Disposal during the quarter	66
Lying unresolved at the end of the quarter	Nil

Place : Noida
Date : January 15, 2007

For Triveni Engineering & Industries Ltd.

Dhruv M. Sawhney
Chairman & Managing Director

